



Written by [Michael Tennant](#) on January 4, 2014

## ObamaCare Likely to Increase Emergency Room Visits and Costs, Study Finds

ObamaCare, Americans were told, would help reduce the cost of healthcare in part by cutting down on the number of emergency-room visits by patients with less-than-urgent needs. Not so, says a new study from Oregon: Individuals covered by Medicaid — the [vast majority](#) of those newly obtaining coverage under ObamaCare — actually use the ER more often than those without insurance. This translates into an increase in expensive emergency care and a concomitant burden on taxpayers.



In the Beaver State, researchers had an ideal situation in which to test the hypothesis that increased health coverage would lead to decreased ER visits. In 2009, Oregon chose to expand its Medicaid coverage to about one-third of eligible adults, selecting those who would receive coverage by lottery. Researchers were then able to follow truly random samples of individuals who had coverage and those who did not.

What they found will surprise many ObamaCare supporters. According to the [study](#), published in the journal *Science*, over an 18-month period following the Medicaid expansion, Oregonians who received coverage under the program actually visited ERs 40 percent more frequently than those who did not. “The pattern was so strong that it held true across most demographic groups, times of day and types of visits, including those for conditions that were treatable in primary care settings,” noted the [New York Times](#).

Indeed, so lacking in urgency were most of these patients’ conditions that while ER visits increased, hospital admissions did not. “In fact,” reported the [Los Angeles Times](#), “the increased use was most pronounced in cases classified as ‘primary care treatable’ and ‘non-emergent,’ authors wrote.”

“When you cover the uninsured, emergency room use goes up by a large magnitude,” senior study author and MIT economics professor Amy Finkelstein told the paper. “In no case were we able to find any subpopulations, or type of conditions, for which Medicaid caused a significant decrease in emergency department use.”

This, of course, runs contrary to the theory, advanced by ObamaCare proponents including President Barack Obama himself, that insuring people will cause them to seek care from their primary-care physicians rather than ERs, which by law are required to treat all comers regardless of ability to pay.

“I think that it’s very important that we provide coverage for all people because if everybody’s got coverage, then they’re not going to the emergency room for treatment,” Obama [said](#) in 2009.

“Our health care system has forced too many uninsured Americans to depend on the emergency room for the care they need,” Health and Human Services Secretary Kathleen Sebelius said in a statement later that year. “We cannot wait for reform that gives all Americans the high-quality, affordable care



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they need and helps prevent illnesses from turning into emergencies.”

A [fact sheet](#) issued by Michigan Gov. Rick Snyder (R) asserts: “Today, uninsured citizens often turn to emergency rooms for non-urgent care because they don’t have access to primary care doctors — leading to crowded emergency rooms, longer wait times and higher cost. By expanding Medicaid, those without insurance will have access to primary care, lowering costs and improving overall health.”

However, as Finkelstein told the [Wall Street Journal](#), “Now we know — the hope that Medicaid will save money turns out not to be correct, at least in the first two years.” The study’s authors “calculated that Medicaid increased annual ER spending by \$120 a covered person,” the newspaper wrote. With four million Americans having already applied for Medicaid under ObamaCare, that comes to an extra \$480 million per year that will be drained out of taxpayers’ pockets — a tab that is likely to grow as demand for emergency care does.

Thus far, only half the states, plus the District of Columbia, have chosen to expand Medicaid to cover individuals making up to 138 percent of the federal poverty level — a decision afforded them by the Supreme Court’s convoluted finding that states could not be forced to participate in the expansion even as individuals could be forced to buy private insurance.

“This will make the states that didn’t expand look even smarter, because they didn’t fall for the false promise of lower ER use, and the states that did expand Medicaid will have even more crowded emergency rooms,” Cato Institute director of health policy studies Michael Cannon told the *Journal*.

It’s not hard to see why an increase in the insured population also leads to an increase in ER visits. “Think of health coverage as an across-the-board price cut for all medical services,” Columbia Business School economics professor Ray Fisman wrote in a [Slate article](#). “When prices go down, demand goes up, so insurance naturally leads to more health care use overall, including emergency care.”

Earlier research into Oregon’s Medicaid expansion bears out this contention. This research “found that enrolling in the public program increased hospital visits, primary care trips and prescription drug use,” penned the *Washington Post*’s [Sarah Kliff](#). “With financial barriers removed, Medicaid patients see their primary care doctor more — and also go to the emergency department at an increased frequency.” What’s more, “Medicaid coverage also increased the probability of having any visit to the emergency department by 7 percent,” she added.

All this extra care costs money. Harvard School of Public Health economist Katherine Baicker, another principal author of the latest study, told the *Journal* that “the data from all their research to date suggest that extending Medicaid to the uninsured increases health-care costs between 25% and 35% per person.” Again, most, if not all, of that cost is borne by taxpayers.

Not all ObamaCare cheerleaders are surprised or even concerned by these findings.

“I would view it as part of a broader set of evidence that covering people with health insurance doesn’t save money,” MIT economist Jonathan Gruber told Kliff. “That was sometimes a misleading motivator for the Affordable Care Act. *The law isn’t designed to save money. It’s designed to improve health, and that’s going to cost money.*” (Emphasis added.)

Gruber should know. He was one of the architects of Massachusetts’ 2006 healthcare law, the prototype for ObamaCare (for which Gruber was also consulted by the White House), right down to the individual mandate and Medicaid expansion. Today, Massachusetts has the [highest per capita health spending rate in the country](#) — 36 percent higher than the national average and 11.2 percent greater than the



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runner-up, New York. Would we expect anything less of ObamaCare?



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